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SECTION 2 (EASTERN)

1. INDIA. US delegate urges speedy UN Security Council action on Kashmir: Ambassador Austin states that the assassination of the Pakistani Prime Minister emphasized the need for immediate consideration of the Kashmir case when the UN Security Council reconvenes in Paris on 29 October. Austin suggests preparing a resolution outlining areas of agreement and disagreement between India and Pakistan on Kashmir, instructing UN Representative Graham to continue his efforts to effect demilitarization, and possibly extending his authority to fields outside the narrow limits of that subject. Austin also suggests a declaration that the Security Council will not recognize actions of the recently "elected" Kashmir Constituent Assembly. (TS, S/S New York 507, 19 Oct 51).

Comment: Disavowal by the Security Council of Indian-sponsored Constituent Assembly actions should produce an adverse reaction from the Indians. The "election" of the Assembly has been widely publicized as an expression of the will of the Kashmiris, and New Delhi undoubtedly foresees imminent ratification by the Assembly of Kashmir's accession to India.

SECTION 3 (WESTERN)

2. GERMANY. Adenauer relaxes position on a "peace contract": Although West German Chancellor Adenauer has not yet accepted the contractual arrangements which the three Western Occupation Powers are offering as a replacement for the Occupation Statute, he is backing away from his insistence that any powers retained by the Allies in the future should be based on agreements with the Germans and not on the fact of Germany's surrender. He has now conceded the Allies' supreme authority in relation to Berlin and German unification, and he seems about to do so in the matter of the stationing and protection of Allied troops in Germany.

Adenauer is still unhappy about the occupation restrictions which the Allies want to carry over into the period of contractual relations. These include the "security safeguards" forbidding certain scientific research and the manufacture of heavy weapons and aircraft, and the so-called "programs" such as decartelization. He also wants a guarantee from the West that forces of a definite size will be stationed in Germany.

In considering the arrangements offered by the Allies, Adenauer must take into account the probable reaction of the more nationalistic elements in his coalition. If these elements joined the Socialists to defeat the contractual arrangements in the Bundestag, the Chancellor's program of integration with the West would be wrecked. To avert such a eventuality, Adenauer is suggesting that the question of "security safeguards" be dealt

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with by the European Defense Community, and that Germany be subjected only to those limitations common to all members of the Community. (Factual data from: TS, Bonn 249, 18 Oct; TS, S/S Bonn 250, 19 Oct 51).

3. FRENCH MOROCCO. Nationalists fear loss of following if Moroccan question is not included in General Assembly agenda: Acute anxiety among Moroccan nationalists has been caused by a French press article alleging that the French Ambassador in Washington has received assurances that the US would work with France to prevent the placement of the Moroccan question on the UN agenda. Several prominent nationalists have told US representatives in Tangier that if the question were thus kept from appearing on the UN agenda, the Moroccan people would lose confidence in their leaders, and might turn "elsewhere" for guidance. The nationalists, therefore, recommend that the subject be placed on the agenda, with discussion postponed for a year. (C, S/S Tangier 150, 19 Oct 51).

Comment: Although the Moroccan question was automatically added to the provisional agenda by the petition of several Arab states, the French are making every effort to have it omitted from the finalized General Assembly agenda.

There has long been considerable fear among the moderate nationalist leaders that the rank and file would turn to Communism or extremist nationalism. Many leaders also have not felt that their case is sufficiently prepared for discussion in the General Assembly this fall. Because they have looked to the US — as the champion of oppressed peoples — for assistance in achieving independence, they are apprehensive lest the US support the French.

4. UNITED KINGDOM. US ponders additional aid to Britain in the current fiscal year: The US is seriously considering whether it should give additional aid to the UK in the current fiscal year, and if so, whether the aid should be economic or military, and what techniques should be used. The US Embassy in London urgently cautions against any leak on this matter which would involve the US in the current election campaign. The Embassy also points out that any post-election announcement of US aid must still be handled in the most nonpartisan manner possible. (S, S/S London 1907, 18 Oct; S, S/S to London 2103, 19 Oct 51).

Comment: Britain's worsening economic situation was discussed in Washington last month by Chancellor of the Exchequer Gaitskell, who said that anything beyond the present 4.7-billion-pound rearmament program was next to impossible, as the British would soon have to decide whether exports or defense plans would have priority. The present rearmament program, which

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an ECA appraisal considers the maximum now possible, will not achieve the goal of NATO's medium term defense plan; the program cannot, without some form of aid, be increased without a general economic mobilization. The coincidence with the British elections of the need for decisions on these matters preparatory to the Rome Council meeting will make it especially difficult for the US to avoid charges of political use of assistance.

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